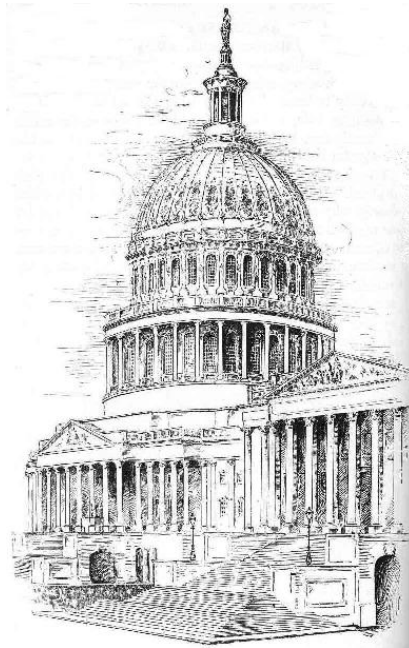


# **Enough is Enough!**

## ***How Credit Card Companies Are Abusing Americans***

**Letters from Vermont and the Nation**



**United States Senator Bernie Sanders  
Washington, D.C.**

*Dear Friend,*

*On April 24, 2009, I sent an email to my Senate mailing list. My request: Send me detailed information about how credit card companies are treating you and your family. Three days later, I had almost 1,000 responses. This pamphlet, which reprints a small number of them, demonstrates in often heartbreaking manner the extraordinary greed and callousness of some of the largest financial institutions in our country. In order to share this information with my colleagues I have read some of these comments on the floor of the Senate.*

*In my view, when credit card companies charge 25 or 30 percent interest rates they are not engaged in the business of “making credit available” to their customers. They are involved in extortion and loan-sharking. This is especially true at a time when the taxpayers of this country have provided many hundreds of billions of dollars to bail out Wall Street and when the Federal Reserve is making zero interest loans to these very same companies.*

*I support legislation which will increase disclosure and transparency. But that’s not enough! In order to protect the American people and our small businesses, we must pass a national usury law and place a cap on interest rates. I have proposed legislation that would emulate the regulations that credit unions live under – a 15 percent maximum interest rate (which currently can go up to 18 percent under exceptional circumstances). If credit unions can grow and prosper with a 15 percent cap, so can banks.*

*I hope you will take a minute to read these heart-felt letters from Vermont and the nation. They offer a window into the outrageous behavior of credit card companies, and why we need fundamental reform of the industry.*

A handwritten signature in black ink, reading "Bernie Sanders". The signature is fluid and cursive, with the first name "Bernie" written in a larger, more prominent script than the last name "Sanders".

*Bernie Sanders*  
*United States Senator*

# Letters from Vermont and America

## Table of Contents

### *Good Credit But Rising Interest Rates*

*“I am shocked and livid by these absolutely criminal APRs...”*

*“They told me not to take it personally...”*

### *Angry, We Don't Want to Take the Abuse Any More*

*“I am tired of being the one who has to pay...”*

*“I don't understand why something hasn't been done about this before now...”*

### *Bailed Out with Taxpayer Dollars*

*“Send a message that tax payers in America bailed them out once and now they want more money from us through our credit cards. It's absurd...”*

*“We pay for the bailout and we pay the interest increases...”*

### *Small Businesses Staggered By Rate Hikes*

*“After 43 years of business, it took usury to shut me down...”*

*“I called them and was advised that the interest rate had increased to 38 percent...”*

### *College Students Targeted*

*“Each year, college seniors graduate with thousands of dollars in credit card debt...”*

*“The credit card people make it so ‘convenient’ and ‘easy’...”*

### *Bankruptcy and Default*

*“I was driven into bankruptcy by the high interest and fees...”*

*“They just put me in default, without contacting me again...”*

### *Compounding the Health Care Crisis*

*“Because of my husband having been very ill we depended on credit cards...”*

*“I am about to leave my job due to health reason and apply for disability and now is not a good time to be hit with higher interest rates...”*

### *Simply Unreasonable*

*“I called the company to ask if I could send in payment early... He said no...”*

*“I am 67 years old and had the card since the year of the flood...”*

### *Fees Adding Up*

*“This is probably legal but it certainly not just...”*

*“Credit Card companies are only interested in the fees that they can charge...”*

### *A Failure to Communicate*

*“I received notice in writing of this change a week later...”*

*“What would have happened if I had not called?”*

### *During a Recession*

*“I have lost my job and I am now drowning in credit card debt...”*

*“We pay our mortgage on time, and the rest we pay as we can. We barely keep our heads above water...”*

### *Like Old Movie Gangsters*

*“If they were working out of a back alley or a smoky room I am not sure anyone could tell the difference...”*

*“Are they loan sharks...”*



## *Great Credit But Rising Interest Rates*

I'd been on time every month and one day I got my statement and wow my interest rate had more than doubled. I called and they did put it back to the rate I had and said it would be good only for 9 months and then they would up it again and I would have to call again. **This is hard for the families** who aren't using their credit cards anymore and they are on a budget and factor in the credit card payment and then all of sudden one month it's gone up a lot and you didn't factor that in.

**Denise,  
Bennington, Vermont**

A few months ago, I received a letter from Chase about my credit card. They told me that they were raising the interest rate from 7 percent to 22 percent. I emailed them and asked them why they were doing this, that I had been an excellent customer and there was no reason for them to raise it. **They told me not to take it personally.** I also have a Capital One card, and due to an error on my part, did not pay the full amount charged on the card. I DID pay what was owed that month and paid it on time...I just didn't pay the full amount of debt that had been charged. (I just did what many people do when they pay their credit cards... they just pay the amount due.) Because of that, they raised my interest rate from 12.99 percent to 33 percent.

**Lori,  
Rockford, Michigan**

**I want to know why consumers are not protected in any way from these predatory lenders who were bailed out with my taxpayer dollars** and then turn around and raises my interest rate from 7 percent to 27 percent because of "difficult economic times" for the credit industry. This is outrageous! I have not missed a payment and my credit rating is in the high 800's. How can they keep getting away with this?

**Donna,  
Neptune, New Jersey**

## *Great Credit But Rising Interest Rates (Cont.)*

I once had Bank of America charge me 27.99 percent interest when I had only a \$53 balance on one of their cards, I of course paid it in full then closed out the card to avoid doing business with those crooks! In the past month I have had another card go from 9.9 percent interest to 15.9 percent with no advance warning. I have a 960 credit score so I do not really need to do business with that bank either, and plan to close that card out also when paid. **Never late on a payment in 18 years**, they should value customers like myself, but would rather put the screws to people like myself.

**James,**  
**Highgate Center, Vermont**

A couple of weeks ago Bank of America sent us a letter stating they were going to raise our interest rate from 7.3 percent to 24 percent. The letter stated we could get our credit report to find out why. **We received our credit report and I still have no reason why they wanted to raise our rate.** We did opt out, kept the 7.3 percent, and we destroyed our card, but we do not know what was wrong with our credit report. Every single creditor listed all bills paid on time. What angers me is that we, the taxpayers, bailed them out! I have excellent credit and have no reason why they wanted to extort more I interest from me.

**Steven,**  
**St. Johnsbury, Vermont**

I have personally had 3 separate credit cards raise the APR to 29.99 percent - when I have paid my bills on time (Citicard, Chase and BofA). Then just last billing cycle, another card I am in perfect standing with doubled my APR - no apparent reason (Chase). **I am shocked and livid** by these absolutely criminal APRs. This should not be allowed and I believe the APRs should not only be capped, but that there should be a civil lawsuit where they are charged huge fines for pursuing such practices.

**Jennifer,**  
**Los Angeles, California**

## ***Angry, We Don't Want to Take the Abuse Any More***

**I was extremely angry** to receive a letter from my credit card company, Bank of America, telling me that they are raising the interest rate on my future AND previous balance and charging increased fees on certain transactions. This was not the deal that I signed up for when they wanted my business, and I have always paid my monthly bill. During the past couple of years we have seen food, gas, utilities, and taxes go up tremendously and now to put salt in the wound, the credit cards companies are changing the rules in the middle in the game--and using the taxpayers' money to do so.

**Anne,  
Winooski, Vermont**

**I am tired of being the one who has to pay!** The executives of these credit companies mess up and the little people pay. The government messes up and the little people pay. Now my oldest child is going off to college and I can't even get financial help except for loans. Yes, more interest. So now I have to pay more interest on my credit cards. When will I get help? I pay my bills, I pay my taxes, if I pay late I get a finance charge and it hurts my credit rating. When these big companies fall behind, they get my tax money, and I get to pay it back for them.

**Sheila,  
Wilder, Vermont**

I was incredulous when I received notification from Bank of America that they were hiking the interest rate on a card I've had for years. While my hard earned money is being used to keep them afloat, Bank of America has the unmitigated gall to raise my rate to a variable rate based on the prime so it will be 17 percent the first of June and will fluctuate up/down depending upon the prime. **I feel like I've been slapped in the face.** I don't understand why something hasn't been done about this before now. I hope that the Congress will stand up for the voters and stop the banks/credit companies from getting away with this their latest financial atrocity!

**Elenara,  
Montpelier, Vermont**

## ***Bailed Out with Taxpayer Dollars***

I think the interest rates they charge me are very high. Thankfully I am able to pay off my charges each month in order to avoid having to pay higher rates. I have not received anything from my credit card company indicating they are about to cancel my account... **If any of these credit card companies have received any bailout money, I think it is outrageous that they are allowed to get away with their capricious rate hikes.** I hope congress steps in and stops these practices before the Federal Reserve restrictions kick in next year.

**Don,  
Miami, Florida**

Capital, Chase, and Bank of America all doubled or tripled their rates despite a lifelong perfect payment record, with no excuse (we phoned them) except that they could. This is nothing but breach of promise and flat-out theft. A good reason for severe, retroactive rollbacks or simple seizure of banks **whose response to loans from the public is to immediately steal from them.** This is grand theft, at an unprecedented level, and should be punished as such.

**Susan and John,  
Sea Cliff, New York**

I have been a Bank of America credit card holder for several years. I have never been late on my payments and I carry a minimal balance. Last week Bank of America sent me notification of an interest rate increase to 15 percent from my current rate of 9 percent. They would not work with me on this matter so I cancelled my account all together. I am hoping that a great deal of consumers will be able to do the same **to send a message that tax payers in America bailed them out once and now they want more money from us through our credit cards. It's absurd!**

**Jason,  
Chester, Vermont**



## ***Bailed Out with Taxpayer Dollars (Cont.)***

I am outraged too. Between us my husband and I have several credit cards. We have worked very hard to pay our bills on time, and we always pay more than the minimum. In the last month several of our cards have increased interest rates by an average of 8%. When I call to ask if there is any consideration for our credit history, I am told this is a company policy and has nothing to do with our history. We must either accept the higher rates (with very little notice) or close our accounts and pay off the balances immediately. How is this fair? Not only is our responsible money management not being recognized, **our tax dollars are going to pay off their mistakes and their bad management of money.**

**Elizabeth,  
White River Junction, Vermont**

We have had the problem with credit cards lowering credit limits with no warning and increasing interest rates for no reason other than "we raised the rates on everyone". We are trying to get our cards paid off but it is extremely difficult when the interest rates are constantly being raised and fees added all the time. One of our cards went from 9.9 percent to 19 percent, another from 12.9 percent to 27 percent. Many have clauses that if you are one day late the rate will go up to 30+ percent, even if your late payment was on a different card. **And these are the same banks that have gotten billions of our tax dollars in bailouts!**

**Ellen,  
Stillwater, Minnesota**

I live in a small town in Vermont. I feel that the credit card companies need to have a ceiling on interest rates and fees. They are stealing from us. **We pay for the bailout and we pay the interest increases.** They must think we are stupid.

**Anne,  
Brattleboro, Vermont**

## *Small Businesses Staggered By Rate Hikes*

I own and operated a summer business in excess of 43 years. My business credit card was with Avanta at 7.9 percent for years. Last year my payment jumped about \$400 per month - I thought there was fraud involved. Upon checking I found my interest had been raised from 7.9 to 28.8 percent. I always paid more than the minimum and always on time. When Avanta was contacted and asked why, I was told it's a floating interest. I asked to speak to a manager and was advised that's the way it was and they could do nothing to lower it. I got a line of credit loan from Heritage credit union at 1 percent over prime, paid them off and shut down my business. **After 43 years of business, it took usury to shut me down.** I am seventy five years old and a vet. Go get them Bernie, it's time we had honesty in the banking system.

**Walter,  
Poultney, Vermont**

I have a small business and my accountant said I should make purchases on a credit card for the business vs. cash or check. So I opened a business credit card with Advanta Bank 5 years ago. I always paid my balance off when the bill came up until the last two years when money was getting tight for my customers. My business is basically manufacturing so I need stock on hand and if my customer doesn't pay me right away, it would overlap and the card wouldn't get paid off in their 28 days. One month I sent them a \$1500 payment when their minimum payment was only \$164.00. The next month I get the bill and the minimum payment was \$328.00! When I first looked at it I thought there had to be fraudulent charges on it, so I went over it with a fine tooth comb. No, that wasn't it. I called them and was advised that **the interest rate had increased to 38 percent! I asked why because I had always paid my bills and I was told that because I was a small business and so many were defaulting, I was considered a bad risk!** I have a credit score of 785 and they consider me a bad risk??? What about all these people who took out mortgages that both they and the banks knew they couldn't afford??? I had to pay for their errors. No way! I paid off the card and will no longer do business that way. I hope their bank does go bankrupt!! They deserve it.

**Brian,  
Fairfax, Vermont**

## *College Students Targeted*

I have always found it disgusting that credit card companies are given real estate on college campuses. Each year, freshmen arrive eager to grow into their adult responsibilities, yet still naive to some of the hidden costs. And **each year, college seniors graduate with thousands of dollars in credit card debt** - this on top of school loans that will haunt them for years. Allowing these companies to recruit on campus is tantamount to an endorsement, and adds a peer-pressure component for students to sign up.

Grace,  
Burlington, Vermont

We cannot live for the people or by the people when we exploit the people. **There is no philosophical/statistical method that validates offering a credit card to an unemployed college student, as anything other than greed.** A high interest rate discriminates against those who can least afford it, like my son, who was offered these cards while in college. To add the fact that many of these companies are affiliated with the bailout smells to high heaven.

John,  
Bella Vista, Arizona

Credit cards are sent unsolicited to college students, who use them to charge tuition, books and expenses. This is on top of "student loans." The students leave school, perhaps without having a job, and face repaying this debt for 20 years or more. It would be far better not to offer students these credit cards - let them drop out of college for a year or two to save money instead - than for them to turn to this usurious method of paying their way. **But the credit card people make it so "convenient" and "easy", and if a student pays late just once, ka-boom! The interest rate skyrockets.**

Alice,  
Baltimore, Maryland

## ***Bankruptcy and Default***

**I was driven into bankruptcy by the high interest and fees** (and interest on the fees and interest) of my credit cards. Rates suddenly went up on cards for reasons sometimes unrelated to my relationship with that account (perhaps because my credit rating slipped for some other reason). They took advantage of my misfortune by making unpayable monthly installments so high that I could never pay...and probably sold my inflated debt as part of a package of bonds. I am outraged at being taken advantage of *and* having my tax dollars given to the companies whose dishonesty and risky behavior caused the economy to fail. If all that bailout money went to create American jobs, we would be better off. They should cap rates and fees and not be allowed to sell their bad accounts when a creditor is in trouble. That will make them think twice about who they approve for what amount.

**Sue,  
Los Angeles, California**

My story begins with a student loan (for my son). He was in school, and I was going through some difficult times. I tried to call the loan company to ask them to defer payments (permitted when the student is in school). Their automated answering system had no options for this and no way to reach an operator. After I stopped paying, they called me! I explained the situation. They said they had no record that my son was in school. I had them call the academy directly. **Rather than do that, they just put me in default, without contacting me again,** and increased the interest rate from 4 percent to 11 percent (I think this was their real motivation). A month after that, my credit card companies increased their interest rates to 30 percent. I was never late with a credit card payment. Fortunately, I was able to pay my balances off quickly. I find it incredible that banks can change the terms of an agreement at will.

**Martin,  
Shelburne, Vermont**

## *Compounding the Health Care Crisis*

**Because of my husband having been very ill we depended on credit cards to keep our bills paid.** Getting back on our feet making payments, the interest rates jumped to 31 percent. Trying to talk to these people from each of the companies, I was told times are tough for everybody and there is nothing we can do to help you. Too bad. They were totally rude and obnoxious.

**Shelley,  
Eden Mills, Vermont**

I was seriously injured as the result of a physical assault in 2007. Worker's Comp. was denied. I awaited a small settlement and disability approval from SSDI. In the meantime, I was covering food, fuel, gas expenses, etc. with the 2 credit cards I had. I had never defaulted on any credit before and I called to tell both companies about my job loss and inability to work. They responded by asking for minimum payments of \$400-600 and closing my accounts to further charges. I explained that I could not pay what they were asking at that time. They then raised my interest rates to 28.99 percent, their maximum rate allowed. I stayed current for over a year after losing my employment income and they kept increasing my credit limits, but then it wasn't about working with me. They were about making the most money possible at my expense. **My credit has been ruined and I am looking at bankruptcy because I cannot catch up.**

**Colleen,  
Milton, Vermont**

Well, I have always paid on time and have a good credit history and good score. **I am about to leave my job due to health reasons and apply for disability and now is not a good time to be hit with higher interest rates.**

**Lynda,  
South Burlington, Vermont**

## *Simply Unreasonable*

**I am 67 years old and had the card since the year of the flood.** I was on vacation and out of the country and did not make my card payment on time. I had always kept my account up. When I went to charge a flight on line it was denied. I called them and they replied that since I was a "late payer" I had to pay off my account every 30 days as it used to before they allowed extended payments for large purchases. I paid off the card that day and cut up the card.

**Mike,  
Little Rock, Arkansas**

I was happy to have a credit card so I could build my credit, there seems to be no other option in this country. **I made my payments on time.** Then I moved down the road and called HSBC on two separate occasions to tell the credit card company my new address, of course. I did all the change of address paper work through the post office as well. Then months went by and I had to call to get an address and send my payment and without the company's invoice because I was not receiving it in the mail. Something got sent to the wrong office or some such thing and I become late. **So now my interest rate is 29.6 percent.**

**Clemson,  
Putney, Vermont**

I'm going on vacation for two weeks in May. I won't be home to either get my credit card bill or send in payment. I called the company to ask if **I could send in payment early at the end of April. He said no** and that it would be credited the day received, and I would still be charged in May for nonpayment.

**Paul,  
Plainfield, Vermont**

### *Simply Unreasonable (Cont.)*

Discover raised my rate to 29 percent when they said I was late with one payment which had been on autopay for almost 7 years. I called them and they said all they could do was lower it to 21 percent. I will never use this card again and I'm doing my best to pay this off as quickly as I can. I have asked them to take me off any future deals as I will no longer use their services due to their corrupt approach to doing business. **What can I do to help get this limit established and stop this credit card robbery?**

**Deborah,  
Jericho, Vermont**

I had the same experience with Capital One - **I pay my balance off in full every month and have *never* been late - but they sent me a notice that the interest rate would rise to 24+ percent** - I told them to cancel the card.

**Ann,  
North Hero, Vermont**

The interest rate on my Bank of America Platinum card doubled, from 7.99 to 14.99 percent. My credit record is excellent. **When I called, I was told all the credit card companies were doing** it and the gentleman named several. I was also very concerned that the notice of increase was mailed in a plain white envelope with post office box return address. I thought it was junk mail. There was no company name on it. The customer service representative told me that was for security reasons – which made no sense since the only thing inside was my name, which was also on the envelope. He said Congress had passed laws regarding mailings and Bank of America had to follow them. The thing is - I was about to tear it in half and throw it away, as I do with most junk mail. Thank heavens I opened it because there was a short time limit to object to the raise in interest before it automatically went into effect. If I had objected, then I could no longer use my account after a certain date.

**LaVergne,  
Fairfield, Iowa**

## *Fees Adding Up*

My account with GE Money Bank covers the much-needed new roof (after two hurricanes in central Florida). I got together a large payment to help bring down the balance and **after sending \$2,000, was astounded to find that I was charged a \$50 "transaction fee"**... I found in the fine print that this is probably legal but it is certainly not just, and for a widow on Social Security, it was punishing. I guess they make more money by keeping me on the regular payment schedule forever, hoping that one day I will goof and be late and then they can add more charges. I thought usury was a crime.

**Gladyce,  
Orlando, Florida**

**I think it should be illegal for credit card companies to charge both interest and late fees that can amount to close to 100 percent of the balance.** So, I agree that interest rates should be capped and that credit card companies should not be allowed to also charge an exorbitant late fee--or if it be deemed that they CAN also charge a late fee, it should be a capped percent of the balance, NOT, for example \$25 on a \$30 balance.

**Marcy,  
Sharon, Vermont**

What bothers me is that I have had a high interest rate due to a few late payments. I didn't complain, because being late was my fault, but after over a year of on time payments I requested a lower rate and was told no. So, if you don't pay on time, you get outrageous late fees, if you do pay on time there is no reward for that. Additionally, if you go over your limit, the credit card company allows it and then charges you for that too. They should decline the charge, rather than allow it.  
**Credit Card companies are only interested in the fees that they can charge.**

**Gretchen,  
Springfield, Vermont**



## *A Failure to Communicate*

I was shopping only to be told I did not have enough credit left on the card. I knew I had at least 5000 credit available. When I got home, I called the provided number to be told my limit has been cut to 100 above the present debt. **I received notice in writing of this change a week later.**

**Ruth-Ann,  
Waterbury, Vermont**

I was paying bills when I got to my American Express Blue Card bill - the one with no finance charges - and there were finance charges on it! I thought maybe I didn't understand the bill. We got the card BECAUSE they advertised 'no finance charges'. My husband called the company, and sure enough, they had been charging us for financing for several months. We are older and have learned not to charge anything we could not pay at the end of the month. We always pay the entire bill. American Express removed all the charges but **what would have happened if I had not called?**

**Georgia,  
Sandgate, Vermont**

I called my credit card company and asked them to lower the interest rate. The customer service rep said, "Yes, of course, you have been a good customer. Your new rate is 5.5 percent." My rate is 12.65 percent! While this is not high in comparison to what they are doing to everyone else, **it is still not what they agreed to do.** I have just noticed this and will be contacting them.

**Lorraine,  
Albuquerque, New Mexico**

## *During a Recession*

My husband and I are now faced with severe credit problems, due to the fact that I lost my job in 2006... As a result, I have been unable to work since. My husband has had a thriving business fail in the '90s and now we live on his social security. While I was working, we had bought a house and had credit cards, but always kept them down to a minimal amount -- we were the deadbeats in the credit card corporation vernacular -- the ones who they made no money from. Now we have amassed bills amounting to around \$10,000 and can barely pay the minimum. Meanwhile, our credit card interest rates have risen from around 8 percent to 29 percent since they deem us non-credit worthy. We pay our mortgage on time, and the rest we pay as we can. **We barely keep our heads above water.**

**Cassandra,  
Chiefland, Florida**

Over the years I have had to use credit cards - not that I wanted to but, like many folks it just sort of happened! I played the "get a new card" and transfer the balance to lower rate game, and that worked for a while. **I have lost my job and I am now drowning in credit card debt.** So what do they do they raise the rates and make matters worse. My services charges take up 75 percent or more of the money I pay each month. What is going on now is "usury" and I thought loan sharking was illegal in this country apparently not so.

**Steven,  
South Royalton, Vermont**

After 30 years of never a late payment credit card issuers raised my rates to 29.99 percent. Along with reducing my credit line to current balances outstanding. Every time I made a payment my line was once again reduced to current outstanding balance. **I have lost my job and have no emergency credit to access for basic living expenses** – the reason for the cards in the first place – has forced me to file for chapter 7 bankruptcy. Good for them. Now let them charge me 29.99 percent on nothing.

**Dennis,  
Ft. Collins, Colorado**

## *Like Old Movie Gangsters*

I have been dealing with identity theft issues for the last 3 years, when I emailed the credit card companies to lower my credit limit... they said no because it suited them. Now it suits them to lower the limit – for what reason I do not know. My spending has not changed, my credit rating has not changed, my habits in general have not changed. I would never go to a loan shark and I would never put so much money on a card that I could not deal with it. **But these companies are criminal, if they were working out of a back alley or a smoky room I am not sure anyone could tell the difference.** They destroy lives the way old movie gangsters used to break legs; without a care in the world. They should be reined in and prosecuted for any criminal activity they can be charged with.

**Jeanne,  
Sudbury, Vermont**

I am appalled at the hikes in credit card rates! Everywhere in our small town in Texas, everyone is talking about the latest surge in interest rates. People who are never late in payments have seen their rates climb overnight. The outrage, which I am sure doesn't surprise you, is building. Doesn't anyone get it?" I do not understand how these companies can charge such high interest rates. **Are they loan sharks?** I can't even get 2 percent on CDs.

**David,  
Brady TX**